

REMARKS

1. Claims 96-118 are pending in this application. Reconsideration and further prosecution of the above-identified application are respectfully requested in view of the discussion that follows.

Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the enablement requirements. Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §112, second paragraph, as being indefinite. Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Claims 96, 103-105, 112-114 and 118 have been rejected under 35 U.S.C. §103(a) as being obvious over U.S. Pat. No. 6,356,909 to Spenser in view of U.S. Pat. No. 6,556,992 to Barney et al. Claims 97-101, 106-110 and 115-117 have been rejected under 35 U.S.C. §103(a) as being obvious over Spenser in view of Barney et al. and U.S. Pat. No. 5,136,646 to Haber et al. After a careful review of the claims, as amended, it has been concluded that the rejections are improper and the rejections are therefore traversed.

2. Claims 96-101, 103-110 and 112-118 have been rejected as failing to comply with the enablement requirements. In particular, the Examiner asserts, with respect to claims 96-101, 103-110, and 112-118, a failure of both enablement and useful, concrete, and tangible result, as exemplified by the following:

The applicant has identified an invention which requires the user to input information into a computer

through the use of a questionnaire with multiple-choice questions wherein many of the questions have answers which only provide answers that can only be provided by the subjective analysis of the user. Because the answers are subjective, for a single situation, there could be different results based on that subjective analysis and determination of each user. Thus, the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to use the inventions since the subjective interpretation does not provide a concrete results which can be used by one in the industry other than the person actually entering the information.

Examiner's argument with respect to enablement fails on several levels. First, if taken at face value, no computer program method could be enabling because all computer programs require user input. As the output depends on such input, the output cannot be considered concrete by the Examiner, and thus any computerized method fails Examiner's analysis. Further, as an example, no automotive technology could be enabling in light of Examiner's analysis, because the driver must decide where to drive the vehicle. Since the vehicle could literally transport the user anywhere, depending on user input, the technology of such transporting fails in having a concrete result, that is, a specific destination. The result is user input dependent, and thus not considered concrete by the Examiner.

On another level, the user input is not part of the claimed method or apparatus. The essence of the independent claims is a method or apparatus that aggregates user judgment with respect to six necessary component variables for a trade secret into a single variable,

condensing the user's judgment into one variable that can be more easily compared, sorted on, and characterized. For a given input to the method, the output of the method is deterministic, and therefore concrete. As with the automotive example, the determination of the inputs acted upon by the method or apparatus is not a part of the claimed invention.

On yet another level, Examiner overstates the subjectivity of the input information. A great deal of research and experience has shown that individuals have little trouble ranking items on a scale of one to five, the preferred embodiment of the instant invention. Teachers throughout the United States rate students on a scale of one to five: A, B, C, D, and F. These grades are typically aggregated by a weighted arithmetic mean to a GPA, or Grade Point Average. Examiner's argument would indicate that the GPAs of all students in the United States are subjective and not concrete.

Similarly, surveys routinely ask respondents to answer questions on a scale of one to five, such as "Strongly Agree", "Agree", "No Opinion", "Disagree", and "Strongly Disagree", or "Far Above Average", "Above Average", "Average", "Below Average", and "Far Below Average". Such surveys are routinely used to design and modify products throughout the economy, and as a guide to formulate and direct public policy within local, state and federal governments. The extent to which a trade secret meets each of the six criteria of the instant invention can be similarly characterized on a "Far Above Average", "Above Average", "Average", "Below Average", and "Far Below Average" basis.

The Examiner's argument with respect to a useful, concrete and tangible result also fails on several levels. First, the argument that 'the claimed invention is not supported by a specific asserted utility or a well established utility' is both incorrect and inappropriate. With regard to a well established utility, if such a well established utility did exist for the instant invention, the invention would not be novel, and would thus fail patentability requirements. It is the purpose of the claimed invention to create a new utility, a new useful result that is unavailable in the marketplace.

The Examiner's assertions are also incorrect because a specific utility is in fact asserted. In independent claims 96, 105 and 114, the specific asserted utility is the ability to rank trade secrets according to a metric that aggregates the judgment of the evaluator on six independent variables of importance in the determination of a trade secret. Using a single metric that aggregates the evaluator's judgment of the six independent variables is much quicker and easier and less subjective than attempting to weigh the six independent variables, providing significant utility to the trade secret evaluator.

The Examiner further asserts that "the subjective interpretation does not provide a concrete result which can be used by one in the industry other than the person actually entering the information." The requirement for a useful, concrete and tangible result does not require that the result be useful, concrete and tangible for all combinations of circumstances. If Examiner's assertion is correct, that the only utility of the claimed invention would be to the person entering the information, this would

still meet the requirement for a useful, concrete and tangible result.

Again, when arguing "It is unclear how one skilled in the art would know what the numerical score derived by the invention would be used or what the meaning of the score is to anyone other than the person actually entering the information," Examiner has implicitly acknowledged that the derived score would have meaning to 'the person actually entering the information,' thus producing a useful, concrete and tangible result for that person. Further, while it may be unclear to the Examiner what value the score might or might not have to another person, the Examiner has failed to meet the requirement of disproving applicant's claim that such a score has meaning to one skilled in the art. That such value is unclear to Examiner does not constitute a basis for rejection. What is evident from Examiner's wording is that it is not clear to Examiner that there is utility to another person, but it is not certain that there is no utility to another person, and it is clear to the Examiner that there is utility to the person entering the information.

Finally, the Examiner is not skilled in the art of trade secret litigation, while applicants are. Applicant's assertion that the numerical score has value in the art, and that a person skilled in the art would know how to use the claimed invention has basis in applicant's experience. There is apparently no basis in Examiner's experience for a clear assertion to the contrary, and the Examiner makes no clear assertion, merely claiming that the value of the numerical score and the utility to one skilled in the art is unclear to the Examiner.

Examiner asks "what does the score mean to a person in the industry, especially in view of the fact that any comparison is made by comparing the assigned values with a predetermined threshold value which is not an industry standard value or a mathematically derived standard but rather a value chosen by the user." This question is apparently in reference to dependent claims 104, 113 and 118, which are the only claims that discuss 'predetermined threshold values.' The Examiner's argument here thus does not apply to any other claims. Further, the Examiner's argument that "any comparison" is made only by comparing to predetermined threshold values ignores the ranking of trade secrets in independent claims 96, 103 and 112, given that such a ranking necessarily involves an implicit comparison of each trade secret to all the others in order to determine where in the ranked list each trade secret must appear.

In addition, "As a matter of Patent Office Practice, then, a specification disclosure which contains a teaching of the manner and process of making and using the invention in terms which correspond in scope to those used in describing and defining the subject matter sought to be patented *must* be taken as in compliance with the enabling requirement of the first paragraph of § 112 *unless* there is reason to doubt the objective truth of the statements contained therein which must be relied upon for enabling support" (In re Marzocchi & Horton, 169 USPQ 367 (CCPA, 1971). The subject matter sought to be patented is clearly described in the claims. Since the Examiner has failed to provide a basis for doubting the objective truth of the specification, the rejection is believed to be improper and should be withdrawn.

3. Claims 96-101, 103-110 and 112-118 have been rejected as being indefinite. In particular, the Examiner asserts that

"The applicant states in the preamble that the invention is directed to the analysis, auditing, accounting, protection, and other management relating to an existence, ownership, access and employee notice of a plurality of trade secrets of an organization. The Examiner is unclear where the auditing and accounting steps are set forth in the body of the claims."

One definition of 'auditing' is "examining with intent to verify." The process of soliciting and analyzing responses to questions as to the extent that a potential trade secret meets the six factors of the First Restatement of Torts is an examination with the intent to verify the status of the potential trade secret as qualifying for trade secret protection under law. One definition of 'accounting' is "giving a report on." The process of soliciting answers to the six questions, calculating the metric, and ranking the trade secrets in ascending or descending order of the metric constitutes generating a report on the extent to the judgment of the evaluator on the six questions as aggregated in the metric.

With regard to the more restrictive meanings of auditing and accounting within the context of business financial processes, the first claim step of each of the independent claims is to solicit answers to six questions relating to the six factors of a trade secret from the

First Restatement of Torts. These six questions include two related to the business financial processes of auditing and accounting functions: "the value of the information to the business and its competitors" and "the amount of time, effort or money expended by the business in developing the information." The former question relates directly to the market value of the potential trade secret being evaluated, an important auditing and accounting consideration. The latter question relates directly to the investment in the potential trade secret, that is, the cost basis of the trade secret, and is another important auditing and accounting consideration.

The answers to these questions (Does it have market value? How much did it cost us?) are necessarily the first basic steps in performing auditing and accounting of a portfolio of trade secrets. Trade secrets with high values for either or both of these questions will require additional investigation to perform a full auditing and accounting analysis. Trade secrets with middle values for these questions will require a small amount of further investigation. Trade secrets with a low or zero value for these questions will require no further analysis. Thus, the asking of these questions forms a first step in gathering the information required to begin auditing and accounting functions with respect to trade secrets.

As such, the auditing and accounting steps are clearly supported by the body of the claims. Since the auditing and accounting steps are clearly supported, the rejections are improper and should be withdrawn.

4. Claims 96-101, 103-110 and 112-118 have been rejected as being directed to non-statutory subject matter. In

particular, the Examiner asserts that

"In the present case, many of the answers to the multiple choice questions in the questionnaires are subjective. Thus because the answer are subjective, for a single situation, there could be different results based on the subjective determination of the user. Therefore the applicant's invention is not capable of providing concrete results as required by 35 U.S.C. 101 since it would be difficult for a person to repeat the analysis and determination of another based on the subjective subject matter."

However, as demonstrated above, any subjectivity of a user's answers is immaterial since it does not constitute part of the claimed invention. In addition, for any given input to the method, the output of the method is deterministic, and therefore concrete. Third, the utility of answers selected on a scale of one to five are routinely used to design and modify products throughout the economy, and as a guide to formulate and direct public policy within local, state and federal governments. As such, the Examiner's assertions have no basis in fact.

The Examiner further asserts that

Furthermore, the claimed invention is not supported by either a credible asserted utility or a well established utility. It is unclear how the specific utility of the claimed invention as described in the disclosure of this application would be useful or tangible to one in the industry. It is unclear how the numerical score value would be used by a person in the industry, i.e., what does the score mean to a person in the industry. Especially in view of the fact that any comparison is made by comparing the assigned values with a predetermined threshold value which is not an industry standard value or a mathematically derived standard but rather a value chosen by the user (page 15 of the remarks section to the response). For example, an academic test score of 95 is considered an

A unless specifically defined otherwise. What does the numerical score value that is derived by this invention mean and to whom does it have a meaning. Is there a threshold value that has a real world meaning?

The Examiner's argument that 'the claimed invention is not supported by a specific asserted utility or a well established utility' is both incorrect and inappropriate. A specific utility is in fact asserted: in independent claims 96, 105 and 114, the specific asserted utility is the ability to rank trade secrets according to a metric that aggregates the judgment of the evaluator on six independent variables of importance in the determination of a trade secret. Using a single metric that aggregates the six independent variables is much quicker and easier and less subjective than attempting to weigh the six independent variables, providing significant utility to the trade secret evaluator.

When arguing "It is unclear how the specific utility of the claimed invention as described in the disclosure of this application would be useful or tangible to one in the industry" Examiner has acknowledged that the derived score would have meaning to "the person actually entering the information," thus producing a useful, concrete and tangible result for that person. Further, while it may be unclear to the Examiner what value the score might or might not have to another person, Examiner has failed to meet the requirement of disproving applicant's claim that such a score has meaning to a person in the industry. That such value is unclear to Examiner does not constitute a basis for rejection. What is evident from Examiner's wording is that it is not clear to Examiner that there is utility to

another person, but it is not certain that there is no utility to another person, and it is apparently clear to the Examiner that there is utility to the person entering the information.

Examiner asks "what does the score mean to a person in the industry, especially in view of the fact that any comparison is made by comparing the assigned values with a predetermined threshold value which is not an industry standard value or a mathematically derived standard but rather a value chosen by the user." This question is apparently in reference to dependent claims 104, 113 and 118, which are the only claims that discuss 'predetermined threshold values.' Examiner's argument here thus does not apply to any other claims. Further, Examiner's argument that "any comparison" is made only by comparing to predetermined threshold values ignores the ranking of trade secrets in independent claims 96, 103 and 112, given that such a ranking necessarily involves an implicit comparison of each trade secret to all the others in order to determine where in the ranked list each trade secret must appear.

Since the claimed invention does, in fact, produce a useful, concrete, and tangible result, the rejections are improper. Since the rejections are improper, they should be withdrawn.

5. Claims 96, 103-105, 112-114 and 118 have been rejected as being obvious over Spenser in view of Barney et al. However, the logic that forms the basis of the rejection fails on any number of different levels.

For example, the Examiner asserts that the geometric mean is 'old and well understood', and therefore 'it would have been obvious to one skilled in the art at the time of the invention to modify Spencer to include a geometric mean ... to come up with a numerical score value...' Examiner's conclusion does not withstand scrutiny. First, in Spencer, as quoted by Examiner, "Each question/selection is given a weight that is used to develop a scorecard." The assignment of weights - multipliers that change the impact of individual values in an arithmetic calculation such as the arithmetic mean - obviates the use of the geometric mean as the function used to determine the score. That is, the assignment of weights in Spencer means that the geometric mean cannot be the method used to calculate the score in Spencer.

Second, the United States Department of Commerce first published "The Handbook of Mathematical Functions" in 1964. With over a thousand pages, it documents tens of thousands of mathematical functions. As these functions are thus 'old and well understood', are any and all of these mathematical functions to be considered obvious when used in a unique combination within any patent application?

Further, with tens of thousands of 'old and well understood' mathematical functions available, how is it obvious that the geometric mean should be the function that would provide the most useful aggregation of the six independent variables relating to the existence of a trade secret? Why would not the arithmetic mean, a much more common and commonly understood aggregation, be claimed?

In fact, applicants tested a large number of mathematical functions to determine that the geometric mean

provided a numerical score value that predicted the considered professional evaluation of people familiar with trade secret litigation. It was not obvious that the geometric mean, of all mathematical manipulations and aggregations possible, should provide the most useful, concrete and tangible result.

With regard to the six factors, the Examiner asserts that "The fact that the subject matter is about trade secrets or that the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data. The language is not functionally interrelated with the useful acts, structure or properties of the claimed invention." However, the six factors of the First Restatement of Torts are required as the subject of the six questions provided in the first step of each of the independent claims, and thus form a functional limitation on the claims.

Further, the claimed invention's primary function is to aggregate the evaluator's judgment of the extent to which each of the six factors is met into a single metric related to the existence of a trade secret. Absent the subject matter being about trade secrets, and the questions elicited being based on the six factors from the First Restatement of Torts, the primary purpose of the claimed invention could not be fulfilled. Therefore, these aspects of the claim language are essential to the utility of the claimed invention and thus are functionally interrelated with the useful acts, structures and properties of the claimed invention, contrary to the Examiner's assertions.

The Examiner relies upon *In re Gulack* and *In re Lowry* in this context. However, both of these precedents support

applicant's position with respect to the non-obviousness of the claimed invention.

In *Gulack*, the U.S. Court of Appeals, finding for the appellant, stated that "The differences between the appealed claims and Wittcoff reside in appellant's particular sequence of digits Q, and in the derivation of that sequence of digits. These features are critical to the appealed claims. Wittcoff neither discloses nor suggests either feature." and "We find no suggestion in the cited reference of appellant's particular sequence of digits Q or of the derivation of that sequence." Similarly, the claimed invention here differs from Spencer in the particular subject matter, trade secrets, and the six specific questions asked, in regards the six factors of the First Restatement. These features are critical to the claims, and Spencer neither discloses nor suggests either feature. There is no suggestion in Spencer of trade secret subject matter or of questions related to the six factors of the First Restatement.

In *Lowry*, the U. S. Court of Appeals, finding for the appellant, stated that "Kumpati does not, however, disclose Lowry's ADOs and their specific hierarchical and non-hierarchical relationships." and "Lowry's claimed invention involves an organization of information and its interrelationships which Kumpati neither discloses nor suggests." and "Because Kumpati does not contain all limitations of claims 20 through 29, the board erred in holding these claims anticipated by Kumpati." Similarly, Spencer does not disclose a subject matter of trade secrets, or questions based on the six factors of the First Restatement. The claimed invention involves a subject

matter and a set of questions related to the six factors of the First Restatement which Spencer neither discloses nor suggests. Because Spencer does not contain all limitations of the independent claims of the claimed invention, the claimed invention is not obvious in light of Spencer.

In addition, "All words in a claim must be considered in judging the patentability of that claim against the prior art" (In re Wilson 165 USPQ 494, 496 (CCPA 1970)). This the Examiner has not done.

For any of the above reasons, the combination of Spencer and Barney et al. fail to teach or suggest each and every claim limitation. Since the combination fails to teach or suggest each and every claim limitation, the rejections are improper and should be withdrawn.

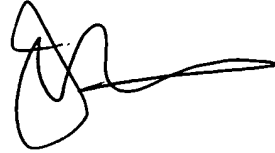
6. Claims 97-101, 106-110 and 115-117 have been rejected as being obvious over Spenser in view of Barney et al. and Haber et al. However, Haber et al. (as with Spencer and Barney et al.) fails to provide any teaching or suggestion of a system for evaluating trade secrets based upon the six factors of a trade secret. Since the combination fails to teach or suggest the use of the six factors, the combination fails to teach or suggest each and every claim limitation. Since the combination fails to teach or suggest each and every claim limitation, the rejections are improper and should be withdrawn.

7. Allowance of claims 96-101, 103-110 and 112-118, as now presented, is believed to be in order and such action is earnestly solicited. Should the Examiner be of the opinion that a telephone conference would expedite

prosecution of the subject application, he is respectfully requested to telephone applicant's undersigned attorney.

Respectfully submitted,
WELSH & KATZ, LTD.

By

A handwritten signature in black ink, appearing to be 'Jon P. Christensen', with a long horizontal flourish extending to the right.

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June 30, 2005
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